



TENNESSEE REAL ESTATE News-Journal

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Late Completion of Course for New Affiliates Now Disciplinary Action

Those affiliate licensees who do not complete their course for new affiliates within the first year of licensure now face disciplinary action. The disciplinary action can include, but is not limited to, civil penalties, license suspension and/or license revocation.

An affiliate licensee who is non-compliant is encouraged to complete this class as soon as possible in order to minimize any disciplinary action that may be determined by the Commission.

If you are interested in determining an initial date of license, it can be found on the TREC web pages. The address is www.state.tn.us/commerce/trec. Click on the button labeled "Licensee Search" and follow directions.

**All Tennessee
Real
Estate Licenses
Expire 12-31-02
AND Must be
Renewed by
11-1-02**

Get 16 by Halloween!

Continuing education requirements must be completed by November 1, 2002 for those affiliate licensees who were first licensed between July 1, 1980 and December 31, 2000. To fulfill the continuing education requirement, sixteen approved hours must have been accumulated between January 1, 2001 and November 1, 2002. The Course for New Affiliates and the Office Broker Management Courses do not qualify for continuing education.

For those active affiliates who had accumulated less than sixteen hours of approved continuing education on May 1, 2002, reminder letters were mailed to the firm address of the licensee with a copy to the principal broker of record. For licensees holding an inactive license, the reminder letters were sent to the residential addresses of record. These reminder letters, which were sent 6 months prior to license expiration, listed any or all continuing education courses completed between 01-01-01 and 05-01-02 and indicated that the remainder of the education must be completed by November 1, 2002.

The Tennessee Real Estate Commission (TREC) would like to encourage licensees need-

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ing education to complete that education as early as possible so that course completion information can be added to electronic licensure files and your license renewal applications can be processed. Renewal licenses will not be issued until TREC has received the license renewal fee, appropriate completion of needed education and proof of E&O Insurance for the next licensing period.

Actually, Halloween occurs one day before the education deadline - why not finish early.

**All Requirements for
License Renewal
Must be Completed by
November 1, 2002
(Payment of renewal
fee and Completion of
Education and Obtain
E&O Insurance if
active)**

Important Information Concerning E&O Insurance

All active licensees must have Errors and Omissions (E&O) Insurance that covers every single day that license is active. New active licensees must indicate coverage on the day the license was issued. Licensees who move their licenses from a retired or inactive status, must have E&O Insurance on the date

that license is reactivated.

There are essentially two forms of E&O Insurance which are recognized by the Commission. Prior to each licensing period, the Tennessee Real Estate Commission (TREC) contracts with a provider (following all state regulations concerning the contracting procedures) who will, for a set fee, provide E&O Insurance to any TREC licensee who requests to purchase the insurance. That provider is referred to

as the E&O Contract Insurer. There are many companies throughout the United States who can independently provide E&O Insurance, most often to a given firm which also covers licensees affiliated with that firm. TREC refers to E&O Insurance provided by these companies as Alternative Coverage (alternative to the state contracted insurance). To be in compliance with the statutory requirement that all active real estate licensees must have E&O Insurance, any Alternative Insurance coverage must equal or exceed the state contracted plan. The company providing the insurance must indicate to the Commission the insured individuals' names and must certify that the E&O Coverage provided by the insurance company is equal to or greater than the contracted company's insurance. This statement of certification must be made on the TREC approved form titled "Alternate Equivalent E&O Insurance Coverage".

The State Contracted policy is written for the licensee and the E&O coverage moves with the licensee as s/he transfers from one Tennessee firm to another. Almost all of the alternate insurance coverage is related to a specific firm with coverage for each affiliate. If an affiliated licensee leaves a firm that uses alternative coverage, that licensee should discuss with the new principal broker how E&O Insurance should be handled. Care must be taken by licensees to make sure that as they move from one firm to another there is no day on which

Inactive vs. Retired Real Estate Licenses

The Commission receives many questions about inactive and/or retired real estate licenses. What's the difference?

If a licensee wishes to cease practicing real estate for any reason, but does not want to relinquish the real estate license, that licensee, in actuality, really wants to retire their license. However, if that licensee has not completed an education requirement, the license cannot be retired but is placed in a "holding status" called inactive until that education requirement has been timely completed. This individual cannot practice real estate and does not have to have Errors and Omissions Insurance while inactive but cannot retire the license until the education requirement is met. The three education requirements that keep the license from being retired are: (1) completing continuing education for any licensing period in which the license was active for 1 or more days; (2) completing the Course for New Affiliates within the first year of licensure; and (3) completing the broker post licensing requirement within three years of acquiring the broker license.

Please note, all licensees (active, inactive and retired) must pay renewal fees to renew the license every two years. Please see the table below for the differences in requirements for active, inactive and retired licenses.

Requirements	License Status		
	Active	Inactive	Retired
All Licensees - Pay Renewal Fee November each even numbered year (2002, 2004, etc.)	YES	YES	YES
Affiliates & Brokers - Have Current E&O Insurance	YES	NO **	NO
Affiliates - Complete Course for New Affiliates	YES*	YES*	NO
Affiliates - Complete Continuing Education (Licensed after 07-01-80)	YES	YES	NO
Brokers - Complete Post Broker Education	YES*	YES*	NO

*If Not Already Completed

**Only While Inactive

Continued on Page 5, Column 3

DISCIPLINARY ACTION

JANUARY 2002

WILLIAM C. FLOYD
Lic. No. PB 22726
Carthage, TN

Mr. Floyd consented to pay a civil penalty of \$500.00 for misrepresentation concerning the existence of a septic tank.

MOUNTAIN VALLEY PROPERTIES, INC.
Lic. No. FM 254925
Pigeon Forge, TN

Following an audit conducted by Commission staff which noted a deficit in the firm's escrow account, Principal Broker David B. Myers agreed to the following: Pay a civil penalty of \$4,000.00, have the firm placed on probation for a one year period, fully fund the escrow account by November 30, 2001, and provide the Commission quarterly reconciliation reports while on probation.

WILLIAM H. WEATHERS
Lic. No. PB 226467
Chattanooga, TN

Mr. Weathers agreed to pay a civil penalty of \$1,000.00 for allowing an unlicensed individual to practice at his firm. The unlicensed individual had failed to renew an affiliate real estate license but had continued to work after its expiration.

CHALET MOUNTAIN RENTALS, INC
Lic. No. VLS 8
Gatlinburg, TN

Designated Agent Irvine H. Cox, Jr. agreed to pay a civil penalty

of \$1,000.00 after a Commission audit revealed he was operating a Vacation Lodging Service without a valid license.

SHEARILEY REALTORS
Lic. No. FM 246312
Union City, TN

Principal Broker Orel Riley agreed to pay a civil penalty of \$500.00 after a Commission audit revealed failure to properly deposit earnest money as described in contracts for two transactions.

BYERS & HARVEY, INC
BRANCH OFFICE
Lic. No. FM 13645
Clarksville, TN

Principal Broker Elliott Watts agreed to pay a civil penalty of \$500.00 after a Commission audit revealed failure to timely deposit earnest money for two transactions.

JOHN S. WALKER
Lic. No. TS 275138
Fairfield Glade, TN

Mr. Walker agreed to pay a civil penalty of \$500.00 after voluntarily disclosing inaccuracies on his timeshare license application.

LYNN JACKSON AUCTIONS & SALES
Unlicensed
Bolivar, TN

Principal Auctioneer Lynn Jackson agreed to pay a civil penalty of \$500.00 for advertising auctioning/selling real property without a real estate firm license.

THE CAPITAL CORPORATION
Lic. No. FM 250803
Madison, TN

Principal Broker Randy Chance agreed to pay a civil penalty of \$750.00 after a Commission audit revealed failure to timely deposit earnest money for two transactions and failure to deposit earnest money as directed in a contract without amending the contract.

W. R. MCNEIL
Lic. No. AF 277900
Sevierville, TN

Mr. McNeill agreed to pay a civil penalty of \$350.00 for advertising under a name other than his name listed with the Commission and for failing to include the firm telephone number in an advertisement.

LUIS A. DEL MAZO, Sr.
Lic. No. AF 277985
Nashville, TN

Mr. Del Mazo agreed to pay a \$250.00 civil for advertising an unlicensed branch office.

ROBIE T. "TED" HENSLEY, Jr.
Lic. No. AF 272011
Greeneville, TN

Mr. Hensley agreed to pay a civil penalty of \$250.00 for failure to include the firm phone number in a newspaper advertisement.

HEATH SHULER REAL ESTATE, LLC
Lic. No. FM 255962
Knoxville, TN

Principal Broker Robert A. Cox

agreed to pay a \$250.00 civil penalty after an inspection by the Commission revealed failure to properly document agency disclosure in a transaction.

RHONDA ELDER
GMAC REAL ESTATE
Lic. No. FM 246914
Byrdstown, TN

Principal Broker Rhonda Elder agreed to pay a civil penalty of \$250.00 after an inspection performed by the Commission revealed failure to deposit earnest money in the firm's escrow account or alternatively indicate in the contract how the earnest money was to be held in a transaction.

REAL ESTATE MANAGEMENT, INC.
Lic. No. FM 251965
Cordova, TN

Principal Broker Michael DeWayne Hester agreed to pay a civil penalty of \$250.00 for failure to display a sign at the business location.

RAINES REAL ESTATE AGENCY
Lic. No. FM 216519
Alamo, TN

Principal Broker Irene Raines agreed to pay a civil penalty of \$250.00 after an inspection revealed failure to maintain records for a period of three years.

NANCY F. TISDALE
Lic. No. AF 252245
Nashville, TN

Ms. Tisdale agreed to pay a civil penalty of \$1,800.00 for continuing to practice real estate on an expired license.

SHARON LANGFORD
Lic. No. PB 22544

SHARON LANGFORD & ASSOC.
Lic. No. FM 249292
Nashville, TN

Principal Broker Sharon Langford agreed to pay a civil penalty of \$1,800.00 for paying commission to an unlicensed person.

ACTION AUCTION
Unlicensed
Smyrna, TN

Principal Auctioneer John C. Curtis agreed to pay a civil penalty of \$500.00 after a Commission inspection revealed unlicensed activity.

MOUNTAIN RENTALS OF GATLINBERG
Lic. No. FM 255738
Gatlinburg, TN

Principal Broker Ted L. Mullikin agreed to pay a civil penalty of \$1,000.00 for refusal to provide a Commission auditor access to information required to complete an audit and further for acting as principal broker of the firm after expiration of his license.

CLASSIC HOMES BOS, L.P.
Lic. No. FM 248267
LaVergne, TN

Principal Broker William G. Wise agreed to pay a civil penalty of \$750.00 for failing to timely deposit earnest money for two transactions, and failing to include the firm telephone number in an advertisement.

RE/MAX ELITE CONNECTION
Lic. No. FM 256390
Franklin, TN

Principal Broker Martha S. Carpenter agreed to pay a civil penalty of \$500.00 for failure to timely

deposit earnest money in two transactions.

FEBRUARY 2002

JOHN M. GREEN, JR
Lic. No. FM 246366
Franklin, TN

Mr. Green agreed to pay a civil penalty of \$500.00 after an audit revealed failure to timely deposit earnest money for two different transactions

DONNA M. GRANT
Lic. No. BR 256726
LaVergne, TN

Ms. Grant consented to pay a civil penalty of \$500.00 for failure to maintain an escrow account and rebating/intending to rebate all or a portion of a commission referenced in a complaint to the purchasers who were not Commission licensees.

ROBERT P. DEMPSEY
Lic. No. FM 246372
Germantown, TN

Principal Broker Robert Dempsey agreed to pay a civil penalty of \$250.00 for failure to display a sign on the outside of the business (firm).

CRYE LEIKE OF NASHVILLE
Lic. No. FM 255709
Clarksville, TN

Principal Broker Larry R. Carroll agreed to pay a civil penalty of \$250.00 when a TREC audit revealed failure to timely deposit earnest money for a transaction.

MARCH 2002

ZAFER ROBACK
Lic. No. AF200812
Revoked

Knoxville, TN

A hearing before the Real Estate Commission on March 6, 2002 resulted in the revocation of Mr. Roback's license for substantial and willful misrepresentation, fraudulent or dishonest dealing, failure to disclose personal interest, failure to document agency status in writing and failure to deliver a commission check to the principal broker.

WILLIAM B. ALLEN
Lic. No. AF 223049
Chattanooga, TN

Mr. Allen consented to pay a civil penalty of \$500.00 for placing misleading zoning information in an advertisement and in MLS listings.

BARNES REAL ESTATE SERVICES, INC.
DBA/COLDWELL BANKER BARNES
Lic. No. FM 254398
Brentwood, TN

Principal Broker David R. Barnes consented to pay a civil penalty of \$3,600.00 after an inspection of the firm revealed he had (1) allowed an affiliate to practice after the affiliates license had expired on December 31, 1998, (2) failed to timely deposit earnest money in one transaction and (3) failed to document written agency disclosure in three files.

STEPHEN D. RUSSELL
Lic. No. AF 264316
Beaver, WV

Mr. Russell consented to have his license revoked based upon a felony conviction.

RUTHA.HOLLINGSWORTH
Lic. No. PB 18177
Murfreesboro, TN

Ms. Hollingsworth consented to pay a \$250.00 civil penalty after a complaint revealed she had failed to supply a copy of a rental application contract to the applicant.

LYDIA LYNN CLANTON
Lic. No. AF 272517
Shelbyville, TN

Ms. Clanton agreed to pay a civil penalty of \$1,600.00 for continuing to practice real estate after her license expired December 31, 2000.

GREGORY J. STEVENSON
Lic. No. AF 267241
Smyrna, TN

Mr. Stevenson agreed to pay a civil penalty of \$1,400.00 for continuing to practice real estate after his license expired December 31, 2000.

CRYE-LEIKEROSLIN REALTY
Lic. No. FM 257057
Decatur, TN

Principal Broker L. Roscoe Kasior agreed to pay a civil penalty of \$250.00 for failing to provide a personal interest disclosure in a transaction.

HAROLD SEGROVES
Lic. No. PB 17330
COLDWELL BANKER SEGROVES NELSON REAL ESTATE
Lic. No. FM 229783
Shelbyville, TN

Principal Broker Harold R. Segroves agreed to pay a civil penalty of \$1,600.00 for paying commissions to an unlicensed

person.

CENTRAL REAL ESTATE
Lic. No. FM 10778
Chattanooga, TN

Principal Broker Debra Siniard Stinnett consented to pay a civil penalty of \$500.00 for allowing an affiliate to place a misleading advertisement in a newspaper and in MLS.

RURAL REALTY
Lic. No. FM 257156
Jackson, TN

Principal Broker Michael S. Plumlee agreed to pay a \$250.00 civil penalty for failing to display a sign on the outside of the firm.

APRIL 2002

RICK D. HOLLIS
Lic. No. BR211611
Dickson, TN

Mr. Hollis agreed to pay a civil penalty of \$500.00 for a second offense of advertising without the firm's phone number appearing in the ad.

ROBERT E. FRANKLIN
Lic. No. PB254724
FRANKLIN REALTY
Lic. No. F256880
Dandridge, TN

Mr. Franklin and Franklin Realty consented to pay a joint civil penalty of \$1,000.00 for including misleading information in a listing.

Important Information Concerning E&O Insurance - continued from page 2
 they do not have E&O Insurance coverage by one policy or another. Licensees must also inform TREC concerning any E&O coverage changes.

Tennessee Real Estate Commission

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NOTICE
Beginning 7/ 1 /02, the
TREC Office will NOT
process an application
for license without
proof of E&O Insur-
ance. Licensees
coming out of
retirement now must
provide proof of
E&O Insurance.

"The Tennessee Department of Commerce and Insurance is committed to principles of equal opportunity, equal access, and affirmative action." Contract the EEO Coordinator or ADA Coordinator (615) 741-1328, for TDD 615-741-6276



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TREC Contact Information:
(615) 741-2273 or 1-800-342-4031
www.state.tn.us/commerce/trec

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